



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 14-56]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 14-56 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: November 18, 2014.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.

[GPO – PHOTO GRAPHIC]



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

NOV 12 2014

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 14-56, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to Australia for defense articles and services estimated to cost \$1.609 billion. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, appearing to read "J. W. Rixey".

for J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



[END PHOTO]

Transmittal No. 14-56

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Australia
- (ii) Total Estimated Value:

Major Defense Equipment*	\$1.465 billion
Other	<u>\$.144 billion</u>
TOTAL	\$1.609 billion
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: up to 4 C-17A GLOBEMASTER III aircraft, 19 F117-PW-100 Pratt & Whitney engines, 4 AN/AAQ-24V Large Aircraft Infrared Countermeasures (LAIRCM) Systems, 4 Small Laser Transmitter Assemblies, 4 System Processors, 4 AN/AAR-54 Missile Warning Sensors, 1 AN/ALE-47 Countermeasure Dispenser, 1 AN/AAR-47 Missile Warning System, 5 Trimble Force 524 Receivers, 2 GAS-1 Antenna Units, 2 Controlled Reception Pattern Antennas, 1 AN-USC-43V Advanced Narrowband Voice Terminal, 16 Honeywell H-764 ACE Embedded Global Positioning System/Inertial Navigation Systems, spare and repair parts, supply and test equipment, personnel training and training equipment, publications and technical documentation, United States Government and contractor engineering, logistics, and technical support services, and other related elements of logistics support.
- (iv) Military Department: Air Force (SAQ)
- (v) Prior Related Cases, if any:
FMS Case SEN-\$1.2B-19May06
FMS Case SGT-\$254M-6Apr11
FMS Case SGV-\$275M-22Mar12
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: 12 Nov 2014

* As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Australia – C-17 Globemaster III Aircraft

The Government of Australia has requested a possible sale of up to 4 C-17A Globemaster III aircraft, 19 F117-PW-100 Pratt & Whitney engines, 4 AN/AAQ-24V Large Aircraft Infrared Countermeasures (LAIRCM) Systems, 4 Small Laser Transmitter Assemblies, 4 System Processors, 4 AN/AAR-54 Missile Warning Sensors, 1 AN/ALE-47 Countermeasure Dispenser, 1 AN/AAR-47 Missile Warning System, 5 Trimble Force 524 Receivers, 2 GAS-1 Antenna Units, 2 Controlled Reception Pattern Antennas, 1 AN-USC-43V Advanced Narrowband Voice Terminal, 16 Honeywell H-764 ACE Embedded Global Positioning System/Inertial Navigation Systems, spare and repair parts, supply and test equipment, personnel training and training equipment, publications and technical documentation, United States Government and contractor engineering, logistics, and technical support services, and other related elements of logistics support. The estimated cost for up to four C-17As, support and services is \$1.609 billion.

This sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a major contributor to political stability, security, and economic development in Southeast Asia. Australia is an important ally and partner that contributes significantly to peacekeeping and humanitarian operations around the world. It is vital to the U.S. national interest to assist our ally in developing and maintaining a strong and ready self-defense capability. This proposed sale is consistent with those objectives and facilitates burden sharing with a key ally.

Australia's current heavy airlift capability consists of six C-17A aircraft. The proposed sale of additional C-17As will further improve Australia's capability to deploy rapidly in support of global coalition operations and will also greatly enhance its ability to lead regional humanitarian and peacekeeping operations. Australia has the ability to absorb and employ these additional C-17As into its inventory.

The proposed sale of these aircraft and support will not alter the basic military balance in the region.

The principal contractor will be the Boeing Company in Long Beach, California. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Australia.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The Boeing C-17A Globemaster III military airlift aircraft is the most flexible cargo aircraft to enter the U.S. Air Force fleet. The C-17 is capable of rapid strategic delivery of up to 170,900 pounds of personnel and equipment to main operating bases or forward operating locations. The aircraft is also capable of short field landings with a full cargo load. The aircraft can perform tactical airlift and airdrop missions as well as transport litters and ambulatory patients during aeromedical evacuation when required. A fully integrated electronic cockpit and advanced cargo delivery system allow a crew of three: pilot, copilot, and loadmaster, to operate the aircraft on any type of mission.

2. The AN/AAQ-24V(13) Large Aircraft Infrared Countermeasures (LAIRCM) is an active countermeasures system designed to defeat man-portable, shoulder-fired, and vehicle-launched infrared guided missile guidance systems by directing a high-intensity modulated laser beam into the missile seeker. This aircraft self-protection suite will provide fast, accurate threat detection, processing, tracking and countermeasures to defeat current and future generation infrared missile threats. LAIRCM is designed for installation on a wide range of fixed-wing aircraft.

3. The AN/ALE-47 Countermeasures Dispensing System (CMDS) is a integrated, threat-adaptive, software-programmable dispensing system capable of dispensing chaff, flares, and active radio frequency expendables. The threats countered by the CMDS include radar-directed anti-aircraft artillery (AAA), radar command-guided missiles, radar homing guided missiles, and infrared (IR) guided missiles. The system is internally mounted and may be operated as a stand-alone system or may be integrated with other on-board electronic warfare and avionics systems. The AN/ALE-47 uses threat data received over the aircraft interfaces to assess the threat situation and to determine a response. Expendable decoys tailored to the immediate aircraft and threat environment may be dispensed using one of four operational modes. The hardware, technical data, and documentation to be provided are Unclassified.

4. The Global Positioning System (GPS) Antenna System (GAS)-1 is a controlling unit that is part of the Controlled Reception Pattern Antenna (CRPA) system. The CRPA is part of the GPS tracking. The GAS-1 antenna provides basic anti-jam capability allowing operations to be carried out with greater accuracy and decreased risk.

5. The Advanced Narrowband Digital Voice Terminal (ANDVT) provides secure voice communications. These terminals are handled as unclassified controlled cryptographic items when un-keyed; when keyed, they assume the classification of the key. The ANDVT provides joint interoperability between Service components of U.S. command elements and North American Treaty Organization allies.

6. KYV-5 Communication Security Module enables secure voice for the ANDVT.

7. If a technologically advance adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures or equivalent systems with might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

8. A determination has been made that the Government of Australia can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

9. All defense articles and services listed in this transmittal have been authorized for release and export to the Government of Australia.

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